

MEMORANDUM

TO: Local and Intermediate School District Superintendents,
Business Managers, Directors of Transportation

FROM: Jacquelyn J. Thompson, Ph.D., Director
Office of Special Education and Early Intervention Services

DATE: September 15, 2003

SUBJECT: Requirement and Funding for Specialized Transportation Services

Local school districts have asked the Department of Education many questions lately regarding the requirement to transport special education pupils. The purpose of this memo is to clarify those requirements and to describe what data is required to receive appropriate funding for providing specialized transportation services.

Requirement to Transport Students with Disabilities

The requirement to transport students with disabilities is found both in federal legislation and in Michigan's Revised School Code. The Individuals with Disabilities Education Act (IDEA) Section 300.24 defines the transportation of students with disabilities as a related service. As such, transportation needs of the pupil should be discussed at each individualized educational planning committee meeting and if necessary, described in the student's individualized education program (IEP).

Section 1751 of the Revised School Code also requires a school district to provide transportation for special education pupils who could not otherwise benefit from public education. Rule 388.383 of the Administrative Rules for State Aid for the Transportation of School Children further requires that special education pupils be transported on regular education bus runs whenever possible.

When a school district determines that a pupil cannot be transported in a regular education vehicle, or a regular education vehicle with modifications (approved baby seats, transportation aides, special seating arrangements, etc.), then the district may provide specialized transportation services through the use of a special education transportation vehicle. The district may also contract with a third party for the provisions of specialized transportation services.

Specialized Transportation Services

Specialized transportation is defined in IDEA federal regulations as a related service,

§ 300.24 Related services.

(b) Individual terms defined. The terms used in this definition are defined as follows:

(15) Transportation includes –

- (i) Travel to and from school and between schools;
- (ii) Travel in and around school buildings; and
- (iii) Specialized equipment (such as special or adapted buses, lifts, and ramps), if required to provide special transportation for a child with a disability.

Special education pupils may be provided specialized transportation when the pupil's disability requires special accommodations, as determined through the IEP process. These special accommodations could be necessary because the pupil is assigned to a building or a location that is not within walking distance, or if the district decides it is not safe for the pupils to walk because of traffic conditions or other factors related to the pupil's age or disability.

Funding for Specialized Transportation Services

The State School Aid Act, under Section 51c, provides funding for specialized transportation services for pupils required through the IEP process. The basis for this funding is the data contained on the both the SE-4094, Transportation Expenditure Report and the SE-4107, School Bus Inventory Report.

SE-4094 Transportation Expenditure Report

The SE-4094 Transportation Expenditure Report is a report of the district's allowable transportation expenditures for any given year, beginning on July 1 and ending on June 30. The SE-4094 for the 2002-03 school year was mailed to all districts on July 28, 2003. A copy of this form is available on our website at: www.michigan.gov/documents/OSE-EISMemo03-19and20_70796_7.pdf.

The SE-4094 is due to the intermediate school district on September 23, 2003 and to the Department of Education on October 7, 2003. **Section 18 of the State School Aid Act has been amended to require the Department of Education to withhold a district's entire October 2003 state aid payment for failure to file the report by the due date.**

We have included a few reminders for completing the SE-4094 Transportation Expenditure Report.

1. The only allowable costs to be reported are for vehicles either listed on the SE-4107 School Bus Inventory Report or approved by a Departmental waiver (i.e., district owned cars or mini vans).
2. Amortization for vehicles is not reported on the Transportation Expenditure Report until calculated on the final SE-4107 School Bus Inventory Report. New vehicles added to the SE-4107 in 2002-2003 will not have any amortization calculated until the 2003-2004 school year.

Copies of each districts final SE-4107 report for the 2002-03 may be accessed and printed from the MEIS website.

Amortization for combination vehicles is reported in the regular education cost column on the Transportation Expenditure Report. Amortization for spares, district owned cars or mini vans is not eligible to be reported.

3. Fleet insurance is only eligible to be reported on the Transportation Expenditure Report for vehicles listed on the SE-4107 School Bus Inventory Report. Fleet insurance is NOT eligible to be reported for cars, vans, or mini vans.
4. The costs for spare vehicles are only eligible to be reported on the basis of one spare vehicle for every ten vehicles in operation by the district.
5. Districts are reminded that when prorating employee benefits between special education and regular education the proration is done on an employee by employee basis.

SE-4107 School Bus Inventory Report

Each district using black and yellow vehicles to transport pupils is required to complete and update annually the SE-4107 School Bus Inventory Report. This report is accessed through the MEIS system at meis.mde.state.mi.us. To access this SE-4107, a district employee must have a MEIS account and have submitted a security access agreement form. The security access agreement form may be printed from the MEIS website and contains instructions for its completion.

Currently the School Bus Inventory only allows districts access for printing off their final 2002-03 report, which is in a pdf format. The School Bus Inventory will be reopened for the 2003-04 on *September 29, 2003*. The instructions for completing the School Bus Inventory have been revised for 2003-04 and are found on the MEIS website.

We have included a few reminders for the School Bus Inventory for the 2003-04 school year:

1. The School Bus Inventory will be open for adding new vehicles and making any necessary corrections for the 2003-04 from September 29 until July 1, 2004. All data changes, corrections, additions or deletions for the 2003-04 year will need to be done prior to *July 1, 2004*. Please communicate this to appropriate staff.
2. **Only** black and yellow school buses are to be reported on the SE-4107. Refer to the definition of school bus on the enclosed instructions for the SE-4107. **District owned cars and mini vans are NOT to be reported on the School Bus Inventory.**

Districts are reminded that they must request a waiver from the OSE/EIS to use a district owned car or mini van as a school transportation vehicle. Failure to request a waiver will result in the disallowance of costs on the SE-4094 Transportation Expenditure Report.

3. Review the Vehicle Status Codes for all reported vehicles. Districts are reminded that they must have prior Department approval to report any vehicle under the following status codes, **3**-Section 53 Special Education, **L3**-Leased Section 53 Special Education, **K3**-Contracted Section 53 Special Education and any of the corresponding Section 53 spare codes (**U**, **LU** and **KU**).

Reporting such vehicles under these codes without appropriate approval, will result in the vehicle and its associated costs being ineligible for reimbursement on the SE-4094 Transportation Expenditure Report.

4. When entering the cost of the vehicle, do not put any commas in the cost field. Districts are reminded that the Cost of Bus Worksheets are back up documentation for the School Bus Inventory Report and as such must be kept on file at the district for a period of three years. These forms are subject to audit.
5. Vehicles are to be added to the school bus inventory when they are placed in service by the district, not when they are ordered. New vehicles received at the end of the school year and not used to provide pupil transportation during that school year should not be added to the inventory until the following year.
6. Vehicles sold, or removed from service by the district, should NOT be deleted from the district's inventory until the beginning of the next school year. Doing so will cause the district to be ineligible to report any amortization, insurance or operational cost for these vehicles for the year in which the vehicle was deleted.
7. Vehicles that are transferred to another Michigan public school district during the school year should be transferred on the inventory as soon as the physical transfer is finalized. The district will need to keep data on the vehicle transferred and contact the Department for instructions on how to report costs for these vehicles.
8. Amortization for new vehicles added during the 2003-2004 school year is not calculated or reimbursed until the 2004-2005 school year.

Contact Phone Numbers

If you have questions regarding pupil transportation issues, please contact the following people respectively:

Special Education Programmatic Issues, IEPs, State or Federal Rule Requirements
Jim Paris, OSE/EIS, phone (517) 335-0474

SE-4094 Transportation Expenditure Report
Dianne Easterling, OSE/EIS, phone (517) 241-4517

SE-4107 School Bus Inventory Report (Content Issues, Completing the Report)
Dianne Easterling, OSE/EIS, phone (517) 241-4517

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SE-4107 School Bus Inventory Report (MEIS Security Access)

Linda Van Horn, OSE/EIS, phone (517) 241-4517

SE-4107 School Bus Inventory Report (Software Issues, Hardware Issues, Access Problems)

Department of Education Help Desk, phone (517) 335-0505

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